

## **SVC Foundation Financial Policy**

Purpose: to outline the procedure by which fund accounts are managed, check approval process, and management of investment and checking accounts.

The key entities here are

- 1) SVC Foundation Board of Directors (SVCF BOD)
- 2) SVCF Officers - Chair, Treasurer, Secretary, and Vice Chair (SVCF O)
- 3) SVCF Treasurer (Treasurer)
- 4) SVCF Administrative Assistant and Bookkeeper. (AA&B)
- 5) SVCF CPA firm
- 6) SVCF Executive Committee

### **Budgets and expenditures**

Each year, usually in the Fall timeframe, the Treasurer will propose to the SVCF BOD a budget for the following year, specifying the types of expenditures and maximum amounts. The SVCF BOD reviews, modifies as appropriate, and approves a Budget. Within the limits of this Budget, the transfers and dispersal of funds can be made when appropriate.

Transfers and dispersals are made by the AA&B, as requested by the appropriate Committee Chair, within the approved Budget amount or as approved by the Treasurer or a SVCF BOD resolution if less than 10% above that budgeted. Amounts over 10%, but less than \$1500 will be approved by the Executive Committee. Amounts exceeding that must be approved by the Board of Directors (a unanimous email approval by the SVCF BOD is sufficient). Approval by the Treasurer to the AA&B to disperse funds should be in written form or by a suitably documented email.

A bank account shall be maintained in an FDIC insured institution to hold operating funds. The Treasurer and AA&B will estimate the requirements for 1) minimum balance, 2) expenditures, and 3) expected cash flow into the account. Funds will be transferred to or from the investment account, to maintain the necessary operating balance. Normally this assessment would be made near January 1 of the year in question. Signatories to this account will include members of the SVCF O and AA&B, along with others approved by the SVCF BOD.

An investment account will be maintained to generate income and capital appreciation in accordance with the SVCF Investment Policy. Signatories to this account will include member of the SVCF) and others approved by the SVCF BOD.

### **Scholarship Expense Recognition**

All awarded academic and travel scholarships will be accrued at the time of award. On no less than an annual basis, and always within 4-weeks preceding calendar year end, remaining obligations will be reconciled with current accruals. The chair of the scholarship committee shall be notified of any funds remaining undispersed 2-years after the date of award. Any unused and undispersed funds will be returned and credited to the Foundation after 2 years from the date of the award.

### **Endowed and Special Fund Accounting**

At the end of each fiscal year, and earnings (or losses) accrued by the overall investment fund portfolio of the Foundation will be prorated by the individual funds based on their average balance during the year. Average balances will be determined by the CPA. The AA&B will sanity check account balances, spot check transactions, such as disbursements, then cross-check with QuickBooks, or an equivalent, issuing to the Treasurer for review and ultimately SVCF BOD approval.

Accounting for these funds will be in such a manner that an annual statement of the fund balances and transactions will be provided to the SVCF Chair who may then issue them to the fund donors.

### **Financial Controls**

- a. All checks shall be numbered and shall be held in the custody of an individual authorized by the board.
- b. All payments by check shall correlate to an invoice or receipt, on which the check number and date paid shall be written. If a receipt or invoice is not available, an officer shall write and sign a description of what was purchased.
- c. Pre-signing blank checks is prohibited.
- d. Two signatures are required on any check of \$5001 or more. The requirement for two signatures should be printed on the checks above the signature line as follows, "Two signatures required for amounts of \$5001 or more.
- e. Bank statements shall be reviewed monthly, by the Treasurer and one or more SVCF Board Member/s who do not have signatory authority, to ensure separation of financial controls.

Approved by the SVC Foundation Board of Directors on December 4, 2020.